



PIONEER INTERNATIONAL UNIVERSITY

ACADEMIC YEAR: 2021/2022

SEMESTER: JAN/APRIL 2022

CODE: ECON 2110

UNIT: PRINCIPLES OF MACROECONOMICS

DATE: APRIL 2022

TIME: 2 HOURS

SECTION B: (30 MARKS)

Instruction: Answer Any Two Questions in this Section

QUESTION ONE

- a) Differentiate between microeconomics and macroeconomics **(6marks)**
- b) Identify and explain four ways the central control inflation in Kenya **(6marks)**
- c) With a diagram, explain a three-sector economy **(8marks)**
- d) Define trade cycle. Explain the different phases of trade cycles **(10marks)**

QUESTION TWO

- a) Critically discuss how commercial banks create credit. Show your working. **(15 marks)**
- b) Discuss any reasons why people demand for money **(5marks)**

QUESTION THREE

Discuss evolution of money to date **(20marks)**

QUESTION FOUR

Protectionism is defined as the use of measures by the government to protect domestic industries from foreign competition. Discuss **(20marks)**

